

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



ZCCM INVESTMENTS HOLDINGS PLC ("ZCCM-IH")

[Incorporated in the Republic of Zambia]

Company registration number: 119540000771
Share Code: ZCCM-IH
ISIN: ZM0000000037
Authorised by: Charles Mjumphi – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. The Lusaka Securities Exchange ("LuSE")
- ii. The Securities and Exchange Commission ("SEC")
- iii. ZCCM-IH Investments Holdings Plc ("ZCCM-IH")

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 21 March 2024



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TRANSACTION COMPLETION & WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1.0 Introduction

Shareholders are referred to the announcements ZCCM-IH released on the Stock Exchange News Service ("SENS") of the Lusaka Securities Exchange ("LUSE") on 10th November 2023, 30 November 2023, 22 December 2023, 1 February 2024 and 23 February 2024 regarding the up to US\$1.1 billion capital investment by International Resources Holding RSC Ltd ("IRH"), through its wholly-owned subsidiary, Delta Mining Limited ("Delta"), for a 51% interest in Mopani Copper Mines plc ("MCM") and the formation of a strategic partnership with ZCCM-IH. The investment will comprise US\$620 million in new equity capital, up to US\$100 million in settlement of existing third-party letters of credit and up to US\$380 million of shareholder loans (the "Transaction"). The Company distributed a Transaction circular (the "Circular") on 2 February 2024 incorporating a notice of Extraordinary General Meeting ("EGM") to consider the Transaction. The Board of Directors of ZCCM-IH (the "Board") is pleased to provide a further update in relation to the Transaction.

2.0 Payment of US\$150,000,000 Glencore Payment Covenant

The circular under section 8.21 made reference to the Glencore Payment Covenant for the amount of US\$ 150 million to be paid to Glencore International AG ("Glencore"). The US\$150 million was a partial consideration for the write-down of the MCM debt to Glencore. In order to make the payment to Glencore and complete the transaction, ZCCM-IH made an upfront payment of US\$15,000,000 and entered into a loan facility with the Government of the Republic of Zambia through the Ministry of Finance and National Planning ("GRZ") pursuant to which the GRZ is to make available to ZCCM-IH an aggregate loan of USD135,000,000 plus a further amount equal to the aggregate interest that ZCCM-IH is required to pay to Glencore under the payment covenant. Details of the agreement are laid out in the table below.

| | |
|--------------------------------|--|
| Creditor | Government of the Republic of Zambia (Zambia) |
| Debtor | ZCCM-IH |
| Structure of Loan | Loan to accrue to ZCCM-IH over a 5-year period incrementally based on outlays to Glencore by GRZ |
| Particulars of the Transaction | Settlement of amount to be paid by GRZ to Glencore on behalf of ZCCM IH, contribution to resolution of debt owed to Glencore by MCM |
| Key terms | <ul style="list-style-type: none">• zero percent interest• a five (5) year repayment moratorium.• the GRZ having the option to convert the value of its loan into equity in the capital of ZCCM-IH, subject to the approval of ZCCM-IH's shareholders in accordance with Section 10 of the LUSE Listing Rules. |
| Principle Amount | As per the structure, the principle will accrue incrementally (Up to a Limit US\$ 135 million plus value of aggregate interest on the Glencore payment covenant.) |
| Payment Terms | Repay in equal quarterly from dividends earned from MCM over a period of ten (10) years following a grace period of five (5) years. As implied by the interest rate, the loan will not attract any interest. |

| | |
|-------------------------------|---|
| Tenure | 15 years including an initial 5-year moratorium. |
| Effective Date | 20 March 2024 |
| Rationale for the Transaction | To enhance ZCCM-IH ability to meet liquidity requirements to facilitate entry of a Strategic Equity Partner into MCM. |

ZCCM-IH is aware that the parties involved in this loan agreement results in the transaction being classified as a Related Party Transaction under Section 10 of the LuSE Listing Rules. Shareholders are referred to the ZCCM-IH management’s submission at the Extraordinary General Meeting (“EGM”) concerning the payment of the \$150,000,000 where management communicated that the terms of payment between GRZ and Glencore had not yet been finalised. It was also mentioned that due to MCM’s challenging financial situation, it was imperative that the Transaction be concluded in a timely fashion. Therefore, post the EGM, negotiations between the parties and tight deadlines necessitated the expedient conclusion of the loan in order to effect the Transaction for the entry of Delta into MCM as this loan was a Condition Precedent. Furthermore, given the complexity of the Transaction and ongoing negotiations, the parties had to agree to extend the longstop date from 15 March 2024 to 31 March 2024, which placed further pressure on the cash flow situation at MCM. On this basis, ZCCM-IH urgently sought a waiver from the requirements of Section 9 and 10 of the LuSE Listing Rules, due to the reasons expressed above and to ensure that the Transaction could be successfully concluded by the agreed longstop date. LuSE agreed to grant the waiver in line with their discretion as outlined in the Listing Rules. The Exchange took consideration of the public’s interest in the delivery of this Transaction and the execution of the initial approvals relating to the Transaction that were obtained at the last EGM by ZCCM-IH from its shareholders .

ZCCM-IH would also like to highlight that the terms of the loan agreed with GRZ are favourable to ZCCM-IH. The zero percent interest and 5-year holiday on repaying the loan minimises the financial impact on ZCCM-IH and are more favourable relative to market-related loans on an arms-length basis.

Shareholders are also advised that should the GRZ exercise its option to convert the debt into equity, the conversion will be subject to the provisions of Section 9 and 10 of the LuSE Listing Rules and non-related party shareholders will have the opportunity to vote on the matter at a shareholders meeting.

3.0 Completion of the Transaction

The Board is pleased to confirm that all the Conditions Precedent to the Transaction have now been satisfied, allowing for the completion of the Transaction on 20 March 2024.

Accordingly, caution is no longer required to be exercised by shareholders on this matter when dealing in their securities and the Cautionary Announcement in force since 10th November 2023 is hereby withdrawn.

By Order of the Board

Charles Mjumphi
Company Secretary

Issued in Lusaka, Zambia on 21 March 2024

| Lusaka Securities Exchange Sponsoring Broker | |
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|  <div style="background-color: green; color: white; padding: 2px; text-align: center; font-weight: bold;">STOCKBROKERS ZAMBIA LIMITED</div> | <p>T +260-211-232456</p> <p>E advisory@sbz.com.zm</p> <p>W www.sbz.com.zm</p> <p>Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia.</p> |

First Issued on 21 March 2024